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12 NOV 1973

OGC HAS REVIEWED.

MEMORANDUM FOR: Executive Officer for Deputy Director of
Management and Services

SUBJECT : Contacts with Former Employees

This is in response to your oral request to provide you with any information concerning contacts we may have with former Agency Employees:

A. We administer the CIA Retirement and Disability System and, thus, are involved with making direct annuity payments to former employees. Also, we are involved with correspondence or contacts incident to such payments. If the former employee dies, we may become concerned with paying survivor benefits to spouse or children.

B. We contact both CIARDS and CSC retirees at the end of the first six-month post-retirement period and again at the end of one year to ascertain whether we can be of any further assistance.

C. We invite certain former employees back every year to participate in our Retirement Seminar.

D. At the present time we are in contact with over 125 employees concerning their investment in VIP.

E. The Northwest Federal Credit Union as well as the Insurance Branch maintain contact with former employees utilizing their services. Also, we are in touch with a few employees regarding Workmen's Employee Compensation to render assistance.

F. Through our External Assistance Branch, we assist former employees in finding employment in Government Agencies or the private sector.

E.O. 12958-1 IMPDET CL BY 012712

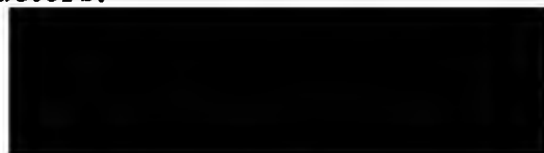
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G. While few in number, we do assist a few former employees in working out and/or maintaining covert Social Security arrangements.

H. Various Agency employees are, of course, in frequent contact with rehired annuitants, some of whom are independent contractors.

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John F. Blake
Director of Personnel

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Office of Logistics

In response to a request from the Near East Division,
OL has been in contact with former employee [REDACTED] 25X1A
who was [REDACTED] when the
Headquarters Building was constructed. A foreign government
in the NE area wants to construct a building to house its
intelligence service and wants it to be similar to our Langley
Building. [REDACTED] is an excellent choice to meet this require-
ment and apparently is agreeable to assisting NE Division by
going TDY to the NE country. I understand that NE also wanted
[REDACTED] to participate on the same project because of his
great involvement in the design of our building. However, I
believe [REDACTED] has decided not to become involved. (Comment:
Before this illustration is used, its accuracy should be checked
with NE Division as well as the classification and sensitivity
of the data.)

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SECRET

Office of Security

The following illustrations have been provided by OS:

25X1A 1. The present Chief of Security in the Department of State [REDACTED] Obviously, we have much contact that is "beyond purely administrative matters."

2. OS utilizes "confidential correspondents" to assist in the background investigations conducted on potential employees and contractors. These individuals are usually retired annuitants with extensive CIA or FBI investigative experience. The Agency would be hard-pressed to meet its investigative workload without the assistance of confidential correspondents.

3. OS frequently uses former employees as reliable sources of information in background investigations of potential employees and contractors. To deny the Agency of these valuable sources of information could be detrimental to some investigations.

a. To expressly prohibit the Director of Central Intelligence from performing any acts not included in Section 102 without the express authorization of the President.

b. Tighten the phraseology of the section with regard to protection of intelligence sources and methods by the Director of Central Intelligence; and

c. Prohibit transactions between former CIA employees and the Agency above and beyond purely routine administrative matters.

DISCUSSION

White House Concerns

During the summer of 1971 leading members of the White House staff were reportedly concerned over serious security leaks mainly centered around the Pentagon Papers affair and a decision was made to add to the staff a consultant who would be the central person responsible for research on such matters. The person eventually recommended by Mr. Charles Colson, White House Counselor, and retained by Mr. John Ehrlichman, was Mr. E. Howard Hunt, retired career Central Intelligence Agency officer, former news magazine writer, novelist and at that time, a ranking member of a public relations firm in Washington, D.C.

The CIA Contact

Early on in his employment as a consultant, Mr. Hunt requested through Mr. Colson that arrangements be made for certain alias and disguise gear in connection with an interview. Apparently there was some internal discussion with Mr. Colson as to who should supply this material but a reasonable interpretation of the testimony establishes that in the final analysis Mr. John Ehrlichman, Senior White House Aide in charge of domestic programs, made an introductory call to the Deputy Director of the Central Intelligence, General Robert Cushman, on or about July 8, 1971 introducing Mr. Hunt as a newly retained White House Consultant who was in need of CIA assistance. That call was announced at a subsequent CIA staff meeting. An appointment was made and on July 22, 1971 Mr. Hunt and General Cushman had a meeting at CIA Headquarters in Langley, Virginia. At that meeting arrangements were made for Mr. Hunt to receive "technical assistance" from the CIA in the form of flash alias documentation and physical disguise material for an undisclosed mission of some alleged sensitivity. Mr. Hunt expressed it in this way to General Cushman:

* * * * *

"I've been charged with quite a highly sensitive mission by the White House to visit and elicit information from an individual whose ideology we aren't entirely sure of and for that purpose they asked me to come over here and see if you could get me two things: flash, alias documentation * * * and some degree of physical disguise, for a one time operation]—in and out."

* * * * *

General Cushman approved the request. Mr. Hunt's documented alias was Edward J. Warren. From the advantage of hindsight, it is unfortunate that Mr. Hunt was not pressed for the details of his mission prior to any agreement to meet his request, as normally should be the case.

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The report recommends legislation to prohibit transactions between former CIA employees and the Agency above and beyond purely routine administrative matters. Such a legislative proposal is unnecessary and would be unduly restrictive:

First, former CIA employees are completely subject to conflict of interest statutes, which are criminal in nature and they are completely subject to the laws and regulations which relate to the use of Government property and services. These statutes and regulations should be adequate restraints on the improper pursuit of "private" interests or misuse of Government property and services.

The applicability of laws and regulations relating to use of Government property and services is being reemphasized in the Agency. We are thinking of a proposed regulation which, among other things, states "a former employee of the Agency is to be treated no differently than any other member of the general public regarding access to official data, equipment, or property." Conversely, a former employee retains the same rights as other members of the general public, e. g., requests under the Freedom of Information Act, access under specified controls to classified records when engaged in historical research.

Second, former employees of this Agency constitute a unique pool of abilities and capabilities for use in the pursuit of our statutory

responsibilities and functions. These considerations apply with equal force to former senior officials of the Agency who, from time to time, are either called upon for advice on developing managerial problems and sensitive issues or who contact the Agency to provide helpful information or suggestions. A proposal to prohibit contact for other than routine administrative purposes would deny the Agency this unique resource and impair our work. For example:

- 1.
- 2.
- 3.
- 4.

In addition, it is highly impractical and costly to maintain an inhouse capability in technical and other skills that are highly specialized. It has been found to be beneficial to maintain liaison with former Agency employees who have moved into such specialities for their assistance and guidance in ongoing Agency programs and projects. This is due to the intimate knowledge of former employees of the intelligence community needs and procedures.

EXAMPLES

1. Agency Administration

Carver/Sherman Kent, Abbott Smith, John Huizenga

Duckett/Lauderdale

2. Government Officials



Sidney Graybeal, Special Assistant for SALT, ACDA

Bruce Clark, Secretary of Defense Representative, MBFR Negotiations

James Schlesinger, Secretary of Defense

Richard Helms, Ambassador to Iran

3. Consultant Relationships

OER, OSR, and our new OPR have programs underway or planned with former employees who are in a position to make unique and valuable contributions because of their combination of individual expertise and knowledge of our mission and operating methods.

4. High Priority Intelligence Requirements

Former employees already located in areas of specific interest to us whose judgment can be relied upon to provide good assessment information on foreign target individuals residing in their areas.

FR Division, WH Division

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6. General

Firms of former Agency employees which have special technical or scientific know how are utilized by the Agency under contract on research and development projects, some of which are most sensitive.

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